GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:2425
ANSWERED ON:15.03.2007
PETROL PUMP DEALERSHIPS
Singh Shri Uday

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a): whether the Government is aware that the petrol pump dealers have started leaving the dealership of oil PSUs;

(b): if so, the number of dealers have left the petrol pump dealerships during the last one year;

(c): whether the oil companies have conducted any study for ascertaining the reasons;

(d): if so, the outcome thereof; and

(e): the action taken by the Government in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DINSHA PATEL)

(a)&(b): A few cases of dealers leaving the petrol pump/retail outlet dealerships appointed by public sector oil marketing companies (OMCs) have been reported. These dealers submit their resignations due to various reasons like, personal reasons, health grounds, financial condition, setting up of new businesses, inability to operate the outlet due to manpower constraints, economic unviability, etc.

(c) to (e): OMCs have not come across to a situation where the dealers leaving the dealerships necessitates conducting of any survey / study to ascertain the reasons. However, on the recommendation of the Parliamentary Standing Committee on Petroleum & Natural Gas, a study was conducted by Indian Institute of Management (IIM), Ahmedabad to look into the indiscriminate growth of retail outlets of OMCs. The scope of the study covered the following aspects:-

(i) Comparison of performance of existing network (1.4.02) vis-Ã -vis expansion undertaken by PSU Cos.

(ii) Study of efficiency and effectiveness of Investment in new ROs and upgradation of existing RO.

(iii) analysis of PSU Cos. Expansion philosophy.

(iv) Identifying actions for improving performance and developing understanding of customer choice and switching behavior.

(v) Suggest strategies for retaining market share & growth.